

STATE OF SOUTH CAROLINA

(Caption of Case)

In the Matter of:

Application of Duke Energy Carolinas,
LLC for Approval of Energy Efficiency
Plan Including an Energy Efficiency Rider
and Portfolio of Energy Efficiency Programs

BEFORE THE
PUBLIC SERVICE COMMISSION COPY
OF SOUTH CAROLINA Filed: led

COVER SHEET Dept: S.A.

Date: 12/11/08

DOCKET

NUMBER: 2007 - 358 - E Time: 11:20

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DEC 10 2008

PSC SC

DOCKETING DEPT.

(Please type or print)

Submitted by: J. Blanding Holman, IV

SC Bar Number: 72260

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

| INDUSTRY (Check one) | NATURE OF ACTION (Check all that apply) | | | |
|--|--|--|---|--|
| <input checked="" type="checkbox"/> Electric | <input type="checkbox"/> Affidavit | <input checked="" type="checkbox"/> Letter | <input type="checkbox"/> Request | |
| <input type="checkbox"/> Electric/Gas | <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input type="checkbox"/> Request for Certificati | |
| <input type="checkbox"/> Electric/Telecommunications | <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigatic | |
| <input type="checkbox"/> Electric/Water | <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement | |
| <input type="checkbox"/> Electric/Water/Telecom. | <input type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment | |
| <input type="checkbox"/> Electric/Water/Sewer | <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter | |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response | |
| <input type="checkbox"/> Railroad | <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery | |
| <input type="checkbox"/> Sewer | <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition | |
| <input type="checkbox"/> Telecommunications | <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation | |
| <input type="checkbox"/> Transportation | <input checked="" type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena | |
| <input type="checkbox"/> Water | <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff | |
| <input type="checkbox"/> Water/Sewer | <input type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: | |
| <input type="checkbox"/> Administrative Matter | <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | | |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | | |
| | <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | | |

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December 9, 2008

Charlottesville, VA
Chapel Hill, NC
Atlanta, GA
Asheville, NC
Sewanee, TN

VIA FEDERAL EXPRESS AND EMAIL

RECEIVED

Mr. Charles L.A. Terreni
Chief Clerk of the Commission
S.C. Public Service Commission
P.O. Drawer 11649
Columbia, SC 29211

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COMMISSION

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RE: Application of Duke Energy Carolinas, LLC for Approval of Energy Efficiency Plan Including and Energy Efficiency Rider and Portfolio of Energy Efficiency Programs (Docket No. 2007-358-E)

Dear Mr. Terreni:

Thank you for your electronic mail message of November 26, 2008 alerting the parties to the above-referenced docket that the request for closure of the record filed recently by Duke Energy Carolinas ("Duke") will be on the agenda for the Commission's December 10, 2008 meeting. Counsel for the South Carolina Coastal Conservation League, Environmental Defense Fund, Southern Alliance for Clean Energy and the Southern Environmental Law Center (collectively, "Environmental Intervenors") will be unable to attend the meeting due to prior commitments, but we appreciate the opportunity to respond in writing.

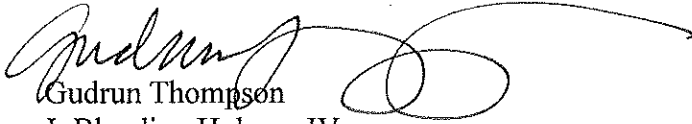
As you know, on November 25, 2008 Duke filed with the Commission a letter requesting that the Commission close the record in this docket and require the filing of briefs and/or proposed orders by December 22, 2008. The Office of Regulatory Staff ("ORS") filed a letter the following day, November 26, 2008, supporting Duke's request.

Environmental Intervenors agree with Duke that a suite of aggressive energy efficiency programs would benefit Duke's customers; however, as the record to date shows, the company's proposed Energy Efficiency Plan ("Save-a-Watt") falls short of this goal. Moreover, we submit that Duke's efforts to implement new energy efficiency programs should not be held hostage to the company's preferred compensation mechanism, when current state law authorizes alternative cost recovery mechanisms and performance incentives for energy efficiency investments. In light of this, we suggest that a possible interim solution would be to approve the Save-a-Watt programs on an interim basis, with incurred costs placed into a deferred account for later true-up once an appropriate compensation mechanism is approved, and subject to a requirement that Duke file for approval of a suite of more robust programs by a date certain to be set by the Commission.

While Environmental Intervenors understand the desire for closure on the part of Duke and ORS, we believe that the Save-a-Watt proposal merits close scrutiny, and trust that the Commission has valid reasons for proceeding in a deliberate manner. In any event, given that the Commission intends to take this matter up at its December 10, 2008 meeting, we respectfully submit that the deadline of December 22, 2008 requested by Duke and ORS would not leave adequate time for preparation of briefs and/or proposed orders, and therefore request that the Commission allow at least 30 days for filing briefs and/or proposed orders. In addition, we request that the Commission not approve Duke's proposed tariffs filed on November 21, 2008 prior to closing the record and allowing parties to the docket an opportunity to conduct discovery, if necessary, and an opportunity to participate in other appropriate proceedings to be determined by the Commission.

If you have questions, please do not hesitate to contact either of us.

Sincerely,



Gudrun Thompson
J. Blanding Holman IV

Cc (via email): Parties of record